

CalVet Home Loans

Lender/Broker Agreement

This Agreement (the "Agreement") is entered into by and between the California Department of Veterans Affairs, Division of Farm and Home Purchases, also known as "CalVet Home Loans" (CalVet) and

Lender/Broker, Company Name, Branch

RECITALS

- A. The parties wish to establish a non-exclusive relationship whereby the Lender/Broker will submit loan packages ("Loans") to CalVet on behalf of Lender/Broker's clients for possible funding.
- B. The parties now desire to enter the Broker Agreement to set forth the terms of their relationship.

Now, therefore, the parties agree as follows:

AGREEMENT

A. General Lender/Broker Responsibility

Lender/Broker, at his or her sole expense, shall:

- 1) Complete all CalVet training to become certified to originate CalVet loans;
- 2) Submit to CalVet completed loan packages for borrowers under such programs, procedures and fee schedules as CalVet may periodically establish;
- 3) Furnish CalVet all borrower eligibility, credit, financial and other documentation as CalVet may require to facilitate the closing of the loan transaction;
- 4) Perform such other services as CalVet may require to close the loan;
- 5) Process and obtain loan documentation as required by CalVet.

The contents of all Loan Packages submitted to CalVet shall immediately become the property of CalVet, and all information contained therein may be subject to CalVet's independent verification.

B. Loan Approval

Loan approval shall be within CalVet's sole discretion. Nothing in this Agreement shall be construed as creating an obligation of CalVet to accept the loan application or grant the loans requested. All loans shall close in CalVet's name.

C. Fees

Lender/Broker is entitled to collect from escrow and receive as compensation a loan origination fee which may be charged to the borrower. No fee shall be owed to the Lender/Broker on account of any proposed loan which is not funded and closed.

D. Lender/Broker's Warranties

Lender/Broker acknowledges and certifies that he/she understands the loan program as set forth in the CalVet Lender/Broker Manual. Lender/Broker further represents and warrants that as of the time any loan package is submitted to CalVet and that as of the time the loan is funded and closed:

- 1) *No untrue statements:* Lender/Broker warrants and represents that all information submitted by Lender/Broker to CalVet with regard to loan applications, including all written materials, are true, correct, currently valid, and genuine. Lender/Broker represents and warrants that the Lender/Broker will make no false or misleading representations to applicants concerning the availability of loan funds, nor will Lender/Broker make misleading representations regarding the likelihood that CalVet will accept the applicant's loan request.
- 2) *Absence of claims:* Except as previously disclosed by Lender/Broker to CalVet in writing, there is no pending or, to the best of Lender/Broker's knowledge, threatened suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation (including any allegation of fraud by another lender) against Lender/Broker, or its current or former owners,

agents or employees which would have an adverse effect on the Lender/Broker's business, assets, financial condition, or reputation.

3) *Control of documents:* No Borrower shall have had in his/her direct or indirect possession or control any credit report, income verification, deposit verification, mortgage/rent verification or any other third-party verification document submitted to CalVet with respect to any loan.

4) *Duly licensed:* Lender/Broker warrants and represents that he/she holds a real estate brokers license issued by the California Department of Real Estate (DRE) or a residential mortgage lenders license issued by the California Department of Corporations (DOC) and that Lender/Broker's license is presently in good standing with DRE or DOC, as applicable. Lender/Broker covenants to maintain the license on a current basis and to keep himself/herself in good standing with the DRE or DOC, as applicable. Lender/Broker further covenants to notify CalVet immediately upon the taking of any action by DRE or DOC, as applicable, against Lender/Broker, which in any way adversely affects the license.

5) *Ownership:* Except as otherwise disclosed to CalVet in writing before the funding of any loan, Lender/Broker shall have no direct or indirect ownership interest in any property acting as security for the loan.

6) *Compliance with Laws:* Lender/Broker shall, both in conduct of its business generally, and in its handling of each loan application and the preparation of related documents and materials, in particular, comply fully, completely and in a timely manner with every requirement of all applicable federal and state laws and regulations dealing with the origination of mortgage loans, including, without limitation to the following:

- i) Equal Opportunity Act, as amended
- ii) Truth in Lending Act, as amended
- iii) Real Estate Settlement Procedures Act of 1974, as amended
- iv) Federal Fair Credit Reporting Act, as amended
- v) California Business, Transportation and Housing Agency, the Federal Reserve Board Regulation Z and B, there under, et al.
- vi) California Code of Regulations, Title 12 Military and Veterans Affairs.

E. Status of Lender/Broker/Non-Exclusivity

Lender/Broker acknowledges and agrees that he/she is acting as an independent contractor, and Lender/Broker shall not represent himself/herself in any manner to be the agent, servant, employee, representative, partner or co-venturer of CalVet. Lender/Broker shall have no authority to bind or commit CalVet to any contract or transaction for any purpose, and Lender/Broker shall not represent in any manner to anyone the Lender/Broker has any such authority.

CalVet will not compensate an individual agent the loan origination fee if that agent is also receiving a commission as listing and/or selling agent on the same transaction.

The relationship is non-exclusive. In its sole and absolute discretion, CalVet may use other Lender/Brokers to originate CalVet home loans. This agreement is separate and distinct from any agreement the Lender/Broker may have with other CalVet certified lenders. This Agreement is not inclusive of CalVet's certified brokers. Nothing contained herein shall be construed as granting to the Lender/Broker any exclusive right.

F. Lender/Broker's Indemnification

Lender/Broker shall indemnify and hold CalVet and the State of California, its directors, officers, agents, employees, successors, and assigns harmless from and against, and shall reimburse same with respect to, any and all loss, damage, liability, costs, and expenses, including reasonable attorney's fees, from any cause whatsoever incurred by reason of or arising out of or in connection with:

- 1) any breach, representation or warranty contained in this Agreement

- 2) Lender/Broker's failure to perform any obligation hereunder, and
- 3) Any claim by a Borrower resulting from CalVet's failure or refusal to fund a loan.

G. CalVet's Rights

Lender/Broker's obligation to fully indemnify CalVet under this Agreement shall not be affected by CalVet's taking of any of the following action with or without notice to Lender/Broker:

- 1) liquidation, repayment, retirement or resale of any loan
- 2) foreclosure of any loan
- 3) sale or resale of the property securing any loan

H. Disclosure of Information

Lender/Broker acknowledges and agrees that CalVet may report any violation of this Agreement to the appropriate state or federal regulatory authority, law enforcement agency, or any private broker information service. Prior to or concurrent with the reporting of a violation of this Agreement, CalVet may notify Lender/Broker in writing of the nature of the alleged violation and the name of the agency or party to whom the report is/was made.

I. Lender/Broker Certification/Termination of Agreement

- 1) Lender/Broker further acknowledges and agrees that CalVet will monitor Lender/Broker's performance. If at any time it is determined that Lender/Broker is not in compliance with any of the elements in Section D and E of this agreement, Lender/Broker will lose its CalVet certification.
- 2) Lender/Broker understands that the certification by CalVet is conditional until the Lender/Broker has successfully completed five CalVet loans within the initial twenty-four month period, from receipt of the signed Agreement.

J. Termination of Agreement

Either party may terminate this Agreement, at any time, with or without cause, upon written notice to the other party.

K. Governing Law

California law shall govern this Agreement.

L. Miscellaneous

- 1) *Right of offset:* Amounts owed by Lender/Broker to CalVet under this Agreement may, at CalVet's option and at its sole discretion, be offset by CalVet against any payments then or thereafter owed by CalVet to Lender/Broker.
- 2) *Notices:* All notices required hereunder shall be in writing and shall be deemed to have been given, made, and received only:
 - i. Upon delivery, if personally delivered to a party;
 - ii. One Business day after the date of dispatch if by facsimile transmission;
 - iii. One day after deposit, if delivered by a nationally recognized courier service offering guaranteed overnight delivery; or
 - iv. Three business days after deposit in the United States first class mail, certified mail, postage prepaid, return receipt requested, at the addresses appearing below.
- 3) *Attorney's Fees.* If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to reasonable attorney fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

4) *Assignment*: Neither party may assign this Agreement.

5) *Entire Agreement Amendment*: This Agreement constitutes the sole agreement between the parties herein, and any other agreement, express or implied, entered into prior to this Agreement is null and void. No further agreement between these parties shall be considered valid unless it is in writing and executed by each of the parties.

6) *Waivers, Remedies*: Failure or delay to audit any loan or to exercise any right shall not act as a waiver of any other right, nor shall any single or partial exercise of any right preclude any other or further exercise thereof. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. All remedies shall be cumulative and nonexclusive.

7) *Severability*. The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term, section, or provision held to be invalid.

8) *Further Assistance*: Each party shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of the Agreement.

Entered into this day, _____, in the city of _____,
County of _____, State of California.

California Department of Veterans Affairs
Division of Farm and Home Purchases
1227 O Street
Sacramento, CA 95814

By: _____

Title: _____

Company Name: _____

Address: _____

Lender/Broker of Record _____

DRE / Dept of _____

Corporations License # _____

Authorized Signature _____

Acknowledgment of Lender/Broker

By signing this agreement as the designated Lender/Broker of Record under California Business and Professions Code section 10211, Lender/Broker hereby acknowledges and certifies to CalVet that he/she has read and understands the forgoing Lender/Broker Agreement and will abide by its terms in accordance with California law governing real estate brokers and/or lenders, and all regulations of the California Department of Real Estate or California Department of Corporations issued thereunder.

Broker initials: _____ Date: _____